

**Veterans Services Foundation
Board of Trustees
Meeting Minutes
June 11, 2008**

A meeting of the Veterans Services Foundation Board of Trustees was held on June 11, 2008, at the Sitter & Barfoot Veterans Care Center, 1601 Broad Rock Boulevard, Richmond.

Members Present

Vincent Burgess
Supriya Christopher
Paul Galanti
Adam Harrell
Frederic Leigh
Frank Wickersham
Kathleen Wilder

Members Absent

Leroy Gross

Others Present

Sam Wilder, Chairman, Joint Leadership Council of Veterans Service Organizations (JLC)
Flora Hezel, Office of the Attorney General
Kristen Lewis, Office of the Attorney General
Tasmyn Childress, Administrative Office Specialist, Department of Veterans Services (DVS)
Steven Combs, Director of Policy and Planning, DVS
Jack Hilgers, Development Coordinator, DVS
Armistead Ransone, Director of Finance and Administration, DVS
Judy Reid, IT Program Assistant, DVS

Materials Distributed

- Meeting Agenda
- Draft Minutes of the March 27, 2008 meeting
- Possible JLC Legislative Objectives for 2009
- Veterans Service Fund Report: November 26, 2003 thru May 31, 2008
- Virginia Veterans Care Center Support Fund FY08 Budget
- Sitter & Barfoot Veterans Care Center Support Fund FY08 Budget
- Virginia Veterans Care Center Requested Budget for Fiscal Year 2009
- Sitter & Barfoot Veterans Care Center Requested Budget for Fiscal Year 2009
- Cemetery Operations Requested Budget for Fiscal Year 2009
- The Strategic Planning Cycle – Introduction, Need, Process, Participation, and Attribution

- VSF Strategic Planning, Appendix 1, Initiating a Strategic Planning Process
- VSF Strategic Planning, Appendix 2, Identifying Organizational Mandates
- VSF Strategic Planning, Appendix 3, VSF Vision, Mission, Values, Goals, and Objectives
- VSF Strategic Planning, Appendix 4, External and Internal Environment Assessment
- VSF By Laws, Updated Draft (May 7, 2008)
- VSF FY09 Fundraising Requirements
- Update on Wounded Warrior Mental Health Care Reception
 - E-mail from Joan Washburn to Steven Combs
 - E-mail from Steven Combs to Board members

Opening and Pledge of Allegiance

Chair Frank Wickersham welcomed everyone, and called the meeting of the Veterans Services Foundation (VSF) Board of Trustees to order at 10:40 a.m. Chair Wickersham led the Board in reciting the Pledge of Allegiance to the American Flag.

Roll Call of Members and Quorum Determination

The roll was called with seven of the eight members recorded as present. A quorum was determined to exist.

Review and Approval of Meeting Minutes

Chair Wickersham asked the Foundation to review the minutes of the March 27, 2008 meeting. A **motion** was made by Commissioner Burgess, and seconded by Mr. Harrell, to approve the minutes as written. The decision was unanimous to approve the minutes as written.

Board of Veterans Services Report

Report delivered by BVS Chair Paul Galanti.

TurboVet

Mr. Galanti reported that the General Assembly appropriated \$100,000 in FY09 to continue development of the TurboVet system. He reported that the National Defense University (NDU) is continuing to work on a similar initiative to integrate U.S. Department of Veterans Affairs (VA) and U.S. Department of Defense (DoD) data. He added that Virginia has asked to partner with NDU as one of four states that will pilot the system.

Mr. Galanti said that NDU now has sufficient funds to continue the development of pilot project, and that there is no longer the need for the \$25,000 from the Veterans Services Fund (the Fund) that he requested at March meeting. He thanked the Board for considering his request, and asked that it be withdrawn.

Joint Leadership Council of Veterans Service Organizations Report

Report delivered by JLC Chair Sam Wilder.

JLC Chair Sam Wilder reviewed the list of possible JLC legislative objectives for the 2009 General Assembly session. He covered those objectives that were carried over from the 2009 session, and then reviewed those objectives that are new for 2009. He added that each objective has been assigned a Veterans Service Organization (VSO) to serve as the JLC sponsor. He said that the sponsor would serve as the JLC lead on the objective.

Department of Veterans Services Report

Report delivered by Commissioner Burgess.

Sitter & Barfoot Veterans Care Center

Commissioner Burgess welcomed everyone to the new Sitter & Barfoot Veterans Care Center (SBVCC) and offered the Board members a tour after the meeting. He covered the current facility census and future expansion plans. He concluded his discussion of the SBVCC by reporting that the facility was recently certified by the VA and that the SBVCC will soon begin receiving the \$70 per diem from the VA.

Virginia Wounded Warrior Program

Commissioner Burgess provided an update on the establishment of the Virginia Wounded Warrior Program (VWWP), including the upcoming interviews for the VWWP Executive Director.

Commissioner Burgess reported that Joan Washburn, working through the Military Family Support Center, Inc. continues her fundraising efforts in support of the VWWP. He said that there will be a fundraiser on June 17 at Nauticus in Norfolk and a dinner in Washington DC on June 18. He added that Ms. Washburn would give a report at the next Foundation meeting on VWWP fundraising efforts to date.

Town Hall Meetings

Commissioner Burgess reported that this past spring, the Department held six town hall meetings in conjunction with the JLC. He added that the results were posted on the DVS website, and noted that the common theme was for the need for increased communications between DVS and Virginia's veterans.

Mr. Wilder asked if DVS was allowed to pay for advertising in newspapers, on television, etc. Commissioner Burgess replied that DVS is allowed to pay for advertising but does not have the fiscal resources to do so. He added that the Foundation might consider helping DVS with this in the future.

DVS Budget

Commissioner Burgess told the Board that DVS has been asked to make a budget cut of \$90,000 in FY09, which is on top of the \$288,000 in FY08 budget cuts. He said that DVS absorbed, and will continue to absorb, the cuts by not filling several administrative positions. He noted that to

date the Department has been able to avoid making cuts in those areas that provide direct services to veterans, but that if the budget cuts continue, hard decisions will have to be made.

Southwest Virginia Cemetery

Commissioner Burgess stated that the land transfer from the DoD to the Commonwealth of Virginia will take place in the fall of this year. He added that there would be a deed transfer ceremony.

TurboVet

Commissioner Burgess reinforced the TurboVet updates covered by Mr. Galanti.

Virginia War Memorial

Commissioner Burgess stated that the Virginia War Memorial will move under the Secretary of Public Safety's office starting July 1, 2008 and that DVS will provide administrative support to the War Memorial.

Mr. Galanti asked about the relationship between the Virginia War Memorial Board of Trustees and the Veterans Services Foundation. Mr. Combs stated that the Virginia War Memorial Board of Trustees was a supervisory board and would continue to operate independently. Mr. Combs noted that the Virginia War Memorial Board of Trustees had created the Virginia War Memorial Education Foundation as an independent entity with 501(c)(3) status. He concluded by saying that the Virginia War Memorial Education Foundation would continue to report to the Virginia War Memorial Board of Trustees, that the Virginia War Memorial Board of Trustees would continue to function as an independent supervisory board, and that the role of the Department of Veterans Services was simply to provide administrative support to the Virginia War Memorial.

Work Force Task Force

Commissioner Burgess reported briefly on the meetings of the Veterans Workforce Taskforce and noted that the Taskforce's report was due to Secretary Marshall by September 1. He added that Delegate Watts was a member of the Taskforce, and is in charge of a Taskforce Subcommittee that will examine any legislative issues.

Mr. Wilder asked when the Taskforce would complete its work on legislative issues, and asked if Delegate Watts could attend the next JLC meeting and brief the JLC members on any Taskforce legislative issues.

Mr. Combs stated that Taskforce Chairman Al Sample has been asked to attend the JLC meeting, but that he hasn't yet heard back from Mr. Sample on whether he'll be able to attend.

Mr. Wilder asked that Taskforce legislative information be sent to the JLC prior to the August 13 JLC meeting.

General

Commissioner Burgess said that DVS will be briefing the Senate Finance Committee's Public Safety Subcommittee on July 10, and that the Chairs of the BVS, JLC, and VSF have been invited to attend.

Commissioner Burgess stated that a new VA forecast now puts the number of veterans in Virginia at 807,326, up from 728,755 in the previous forecast.

Chair Wickersham asked if DVS was tracking the progress of the new appointees to the VSF.

Mr. Hilgers stated that the House of Delegates appointed five citizens to serve on the Foundation, but that the names have not yet been made public. He said he expects to learn the names next week and will pass on the names to the Chair. He said that the Senate has not yet met to appoint three citizens, but that it would do so by the end of June.

Mr. Combs stated that he is working with the office of the Secretary of the Commonwealth on replacements for Margret Eure and Raymond Smoot, who resigned on April 1 and May 1 respectively. He added that with the addition of the new members, the VSF will have a total of 19 voting members – eight citizen members appointed by the Governor, eight citizen members appointed by the General Assembly, and three *ex officio* members.

Veterans Services Fund Quarterly Report

Report delivered by Armistead Ransone, DVS Director of Finance and Administration.

Mr. Ransone pointed the Board to the handout labeled “Veterans Service Fund Report: May 1, 2008 thru May 31, 2008” and noted that that the time period should be November 26, 2003 to May 31, 2008.

He stated that the sheet breaks down all Veterans Services Fund expenses into four major categories: Initial Funds, Cemetery Operations, Virginia Veterans Care Center (VVCC) Operations, and SBVCC Operations. He added that the sheet shows the amounts that have been received and expended, and details the current balance.

Mr. Ransone then pointed the Board to the next page, which covers the Virginia Veterans Care Center Support Fund for FY08. He noted that \$51,400 had been received to date, that actual expenditures were \$25,800, and that this resulted in a net increase of approximately \$25,000.

Mr. Ransone then reported on the Sitter & Barfoot Veterans Care Center Support Fund for FY08. He said that receipts totaled \$26,000, expenditures were \$8,750, leaving a current balance of approximately \$17,000.

He concluded by stating that there were no cemetery transaction in FY08, and that the current Cemetery Operations Fund balance was \$6,950.

VSF Finance Committee Report

Report delivered by Finance Committee Chair Adam Harrell

Mr. Harrell reported that with the resignation of VSF members Margaret Eure and Raymond Smoot, he was the sole remaining member of the Finance Committee.

Policy on In-Kind Donations

Mr. Harrell recommended that the VSF postpone any action on the Policy on In-Kind donations until the August 6 meeting, because policy has not yet been staffed for comment by the cemetery and care center directors.

TurboVet

Mr. Harrell recommended that the motion on funding for TurboVet development remain tabled until the Board of Veterans Services has had time to discuss the issue and to consider a motion recommending that the Foundation provide funds for development of the TurboVet system.

He stated that the need for Foundation support has passed, and that the Finance Committee feels that any additional financial support that is needed can be met by using the \$100,000 appropriated by the General Assembly.

Mr. Harrell concluded his report on TurboVet by recommending that the sponsor of the TurboVet motion consider withdrawing the motion.

Avenue of Flags

Mr. Harrell recommended that the motion on the Avenue of Flags at the Horton Cemetery remain tabled, as the immediate imperative (i.e. Memorial Day) for the motion has passed.

He further recommended that DVS, BVS, and the JLC pursue Veterans Service Organization (VSO) support to fund this project.

He then recommended that the sponsor of the Avenue of Flags motion consider withdrawing the motion.

VSF FY09 Budget Proposals

Mr. Ransone brought the Board members' attention to proposed FY09 budgets for the VVCC, the SBVCC, and the cemeteries. He noted that the budget requests were broken down by major activity and there were examples of the type of items to be purchased.

Mr. Ransone said that the VVCC budget request totaled \$55,400, and, if approved by the Foundation, would allow the VVCC to spend this amount without further approval by the Foundation. He noted that if the VVCC wished to exceed this amount or to make any changes, then Foundation approval is required.

Mr. Wickersham asked for additional details on the process that went into the development of the budget requests. Commissioner Burgess commented that in the past, the Foundation had granted the Commissioner the authority to approve certain expenditures, but that this approval was handled on a case by case basis, and that there was no prior planning (i.e. before the start of a new fiscal year) over what was to be spent in the coming year. He said that the Department would

come back to the Foundation for permission to deviate from the approved budget, and that he would continue to provide oversight of Department expenditures.

Mr. Hilgers explained that the Foundation has authorized the Commissioner to approve expenditures up to \$10,000 of restricted funds (i.e. funds donated for the purchase of a specific item or for a specific purpose). He noted that when there was the need to expend more than \$10,000 in restricted funds, the Department would have to wait until the next Foundation meeting to seek Foundation approval to expend the funds. He stated that in 2006, the Foundation asked Mr. Ransone to develop a set of procedures that would allow the Department to expend restricted funds without the Board having to meet and approve the request. The procedures were approved by the Board at the September 2007 meeting.

Mr. Hilgers said that the procedures approved by the Foundation require the care centers and cemeteries to develop a budget for the coming fiscal year and to submit that budget for Foundation approval. He explained that the amounts reflected on the budget request were the amounts the care centers and cemeteries expected to receive in the coming year. He stated that the Foundation would be providing the Department with the authority to spend up to the requested amount, and added that the Department could only spend the approved funds if those funds were received. In other words, the Department has to have the money on hand before any money is spent. He concluded by saying that this does not give the Department the authority to spend unrestricted funds.

Mr. Ransone added that the expenditures will be processed like any other Department expenditures, using the state financial system.

Chair Wickersham asked for clarity on the source of the funds and the role of the Foundation. Mr. Ransone explained that the restricted funds were donated directly to a care center or cemetery, and that the donation is then deposited in the Veterans Services Fund. Commissioner Burgess said that because of this, there was a fiduciary responsibility for the Foundation to track and approve expenditure of the funds.

Chair Wickersham said that it was his understanding that the Board was being asked to pre-approve the expenditure of restricted funds that had already been collected or were expected to be collected, and that if the funds were not received in the amounts indicated, then there wouldn't be money to spend. Mr. Ransone said that this was correct.

Commissioner Burgess said that Mr. Ransone will provide the Foundation with an update every quarter.

Ms. Wilder asked what leeway the care centers and the cemeteries had to spend restricted funds on similar or alternate items. She gave the example of funds that might be donated to purchase a patio set. She asked what would happen if there were funds left over after the patio set was purchased. Would the care center then have leeway to purchase something else?

Mr. Ransone said that the care center would have some leeway to purchase an additional or alternate item if that item was within the same budget category. He said that the care center

would not have the leeway to move the funds to another budget category and spend the donated funds on an unrelated item. The approval of the Board is required to move funds to another budget category.

Mr. Leigh said that he agreed with the need for flexibility, but asked how the Foundation would know if restricted funds were shifted across budget categories. Commissioner Burgess replied that funds would not be moved across budget categories without Board approval. Mr. Hilgers added that the Auditor of Public Accounts prevents moving restricted funds across budget categories without the approval of the governing body.

Mr. Combs noted that there are some things for which state funds may not be used, such as parties for the residents of the care centers. He said the donated funds helped meet these quality of life needs for the care center residents. He also noted that veterans groups and members of the community are very concerned about such things as the quality of life for care center residents, and donate private funds to ensure that the care centers and cemeteries provide exceptional service.

Mr. Leigh repeated his earlier question of how the Foundation would know if restricted funds were shifted across budget categories. He noted that when the VVCC was operated by a private contractor, poor handling of donated funds had led to trouble, and that one of the reasons the Foundation was formed was to provide oversight of donated funds.

Mr. Ransone explained that all the transactions are handled like normal state transactions – i.e. they go through the same approval, procurement, and audit processes.

Mr. Leigh stated that it was his understanding then that the Department of Veterans Services, an agency of the state, was the mechanism by which proper oversight and control would be exercised. Commissioner Burgess reiterated that the Board still had fiduciary to ensure that donated funds were properly controlled and expended.

Chair Wickersham said that if the Board approves the budget as presented, then it is approving the expenses as categorized. If the care centers and/or cemeteries wish to shift funds from one category to another then they must come to the Board for approval. He said he believes that this is a proper process that offers adequate Board oversight. Chair Wickersham asked that all future care center and cemetery budget proposals be submitted in a standard reporting form. Mr. Ransone agreed to do so. [See addendum on Page 15]

The Board recessed for lunch at 11:45 a.m.

Chair Wickersham called the meeting back to order at 12:14 p.m.

VSF Development Committee Report

Report delivered by Development Committee Chair Supriya Christopher

Report on revenue raising efforts

Ms. Christopher reported that she has been working with Ms. Washburn on the VWWP fundraising events. Ms. Christopher noted that a VWWP fundraising event is scheduled for July 28 in Tysons Corner. She added that the event will be at the McGuire Woods office, that it will be hosted by L.F. Payne, that Senators Warner and Webb will be the special guests, and that 100 people are expected to attend.

Ms. Christopher outlined potential options the Development Committee will explore, including the creation of donor lists and identification of potential corporate donors. Private meetings between potential donors and one or two Board members could follow. Other potential actions include reaching out to community groups and veteran service organizations.

Ms. Christopher said that she is eager to have new members join the Development Committee, given the critical and challenging nature of fundraising. She said she hoped that the new members would have fundraising experience and would further the Foundation's geographic balance.

Report on considerations for meeting the fundraising goal set by the 2008 General Assembly

Ms. Christopher drew the members attention to the handout labeled "VSF FY09 Fundraising Requirements" and asked if a specific target had been set for the VSF Fund Endowment.

Chair Wickersham said that this year the Foundation is under the gun to deliver results, and that the General Assembly has established certain goals for the Foundation. He said that the perception has been that the Foundation has done nothing, but that this is not entirely correct. He noted that the Foundation has always raised money through donations to the care centers and cemeteries. However, recent legislation has established specific goals that the General Assembly would like to see the Foundation reach (e.g. \$150,000 in FY09 and \$150,000 in FY10 for VWWP).

Mr. Hilgers added that he thinks the Foundation's main supporters in the General Assembly now know that the VSF has been accepting donated funds and in-kind donations. He cited the example of the walking trail at the McGuire VA Medical Center. He noted, however, that the VSF has not yet directly solicited funds. He reiterated that the VSF supporters in the General Assembly are now confident that the Board has been doing its job, but that what they would now like to see is the Foundation taking an active role in soliciting private funds to support state programs such as VWWP, particularly in times of austerity like the present. He added that the \$150,000 that the Foundation has been asked to raise for VWWP can come not only from private donations but also from federal grants and other sources. He reminded the members that the full \$150,000 does not have to be raised before the General Assembly meets in January, but that the Foundation will need to show that advances have been made.

Mr. Hilgers returned to Ms. Christopher's question and noted that the "VSF FY09 Fundraising Requirements" would be discussed under new business.

Ms. Christopher stated that it was her assumption that the monies raised through the VWWP fundraising events hosted by the Military Family Support Centers, Inc. would be credited

towards the \$150,000 that the Foundation was expected to raise in FY09. Mr. Hilgers confirmed that this was correct.

Ms. Christopher said that the Development Committee had discussed the creation of a standard PowerPoint presentation that would be used when meeting with potential donors. She then asked for an update on the creation of marketing materials for the Foundation.

Vice Chair Kathleen Wilder said that she had spoken with JLC Chair Sam Wilder about enlisting the support of the JLC to create the presentation. Ms. Wilder asked if JLC could partner with the Foundation on outreach to civic groups and veterans service organizations.

Mr. Wilder replied that while the JLC does not have a presentation, he believes presentations to civic organizations are most effective when a veteran is there to emphasize the importance of the program and the reasons why funds are being requested. He said that he believed that presentations to such groups would be very productive.

Ms. Christopher concluded her report by noting that the Development Committee saw merit in approaching both corporate donors and civic organizations, and that both approaches would be pursued.

VSF Executive Committee Report

Report delivered by Chair Wickersham

Report on recommendations referred by other committees

Chair Wickersham noted that no recommendations or actions were submitted to the Executive Committee between the regularly scheduled VSF meetings. Thus, no report has been submitted by the Executive Committee.

Report on ByLaws changes as a result of Code changes

Mr. Hilgers said that the ByLaws have been updated to reflect the changes to the Code of Virginia made during the 2008 General Assembly session. He noted that the Code changes had been approved by the Governor and would be effective July 1, 2008. He said that the Board was asked to approve the updates at this meeting so that the updated ByLaws would also be in place by July 1, 2008. He added that the ByLaws had also been updated to reflect the change in terminology from "Chairman" to "Chair." He said that a vote to adopt the revised ByLaws will be made during old business.

Report on Strategic Planning Process status

Mr. Hilgers referred the members to the handouts on the Strategic Planning Process. He noted that much material had been sent to the Board for review, and that Board input was needed to further the process.

Mr. Hilgers said that there are ten steps in the Strategic Planning Cycle, but that the Foundation would only go through Step 6, and that he had provided information for Steps 1 – 4. He said that Appendix 1 concerns stakeholder identification and ranking, and emphasized that the material

presented in the stakeholder analysis was for example only. He asked the members to review Appendix 1, but not to assign values at this time. He stated that any rankings made would be subject to FOIA, so that assigning values may be too sensitive an exercise to undertake.

He brought the members' attention to Appendix 2, which identifies the Foundations' organizational mandates. He stated that it contained mandates from the Code and from the enactment clauses of various bills. Mr. Hilgers noted that there are long-term mandates, such as those in the Code, and short-term mandates, such as those in the enactment clauses of bills or in Executive Orders.

Mr. Hilgers said that Appendix 3 outlines the Foundation's Vision, Mission, Values, Goals, and Objectives, and added that the information is presented as a "strawman" for the Board's consideration. He stated that he believed it was most important for the members to review the goals and the objectives and to decide which are achievable, which can be met this year, which need further development, etc.

Mr. Hilgers concluded with Appendix 4, which provides an external and internal assessment of the environment in which the Foundation operates. This will help identify where the Foundation has been and where it needs to go.

Mr. Leigh stressed the importance of measuring success so that tangible results could be demonstrated, and asked Mr. Hilgers to include metrics in the Strategic Planning Process.

Old Business

Led by Chair Wickersham

Ratification of Executive Committee decisions

Chair Wickersham noted that no Executive Committee decisions are put forward for Board consideration at this time.

Adoption of Revised By-Laws

A **motion** was made by Commissioner Burgess and seconded by Vice Chair Wilder to adopt the revised ByLaws.

Ms. Hezel pointed out that two sections of the ByLaws still uses the term "Chairman" instead of "Chair." Mr. Combs answered that these sections of the ByLaws were taken from the Code, which still uses the term "Chairman."

There was no further discussion, and the motion carried unanimously.

Adoption of Foundation In-Kind Donation Policy

Chair Wickersham reported that the Finance Committee had recommended that action on the Policy on In-Kind Donations be deferred until the next meeting, in order to allow time for review by the care center and cemetery directors. He said that no action on the policy would be taken at this time.

Mr. Hilgers informed the Board that the Policy on In-Kind Donations has been reviewed by the cemetery director, but still needed to be reviewed by the care center directors.

Adoption of Veterans Services Fund FY09 proposals

A **motion** was made by Mr. Galanti and seconded by Mr. Harrell to adopt the Veterans Services Fund FY09 proposals. There was no discussion, and the motion carried unanimously.

Other Old Business

A **motion** was made by Mr. Galanti and seconded by Commissioner Burgess to withdraw the previous motion for the VSF to provide \$25,000 in urgent funding for TurboVet. There was no discussion, and the motion to withdraw carried unanimously.

A **motion** was made by Commissioner Burgess and second by Mr. Harrell to withdraw the previous **motion** for funding to construct the Avenue of Flags at the Horton Cemetery. There was no discussion, and the motion to withdraw carried unanimously.

New Business

Led by Chair Wickersham

Nomination for Board Officers for FY09

Commissioner Burgess pointed out that the Board had only recently selected its officers (Frank Wickersham, Chair; Leroy Gross, 1st Vice Chair; Kathleen Wilder, 2nd Vice Chair). He said that he believes that continuity is critical right now and that the current officers should remain in place for the coming year. Commissioner Burgess made a **motion** to reelect the current set of officers. The **motion** was seconded by Mr. Harrell and Ms. Christopher. There was no discussion, and the motion carried unanimously.

FY09 fundraising requirements, discussion

Mr. Galanti emphasized that the necessity of appealing to the emotional side of an issue, citing the work of the Families of the Wounded Fund as an example.

Ms. Christopher asked for clarification regarding solicitation at churches, stating that she thought that the Foundation, as a state agency, cannot solicit at churches.

Ms. Hezel suggested that the Foundation research restrictions on soliciting donations. She cited the Virginia Charitable Solicitations Law, which requires that organizations which solicit contributions be registered with the Virginia Department of Agriculture and Consumer Affairs (VDACA).

Mr. Hilgers asked if a formal request to do such research should be submitted to the Office of the Attorney General (OAG), and Ms. Hezel replied that yes, such a formal request should be made to her or to Senior Assistant Attorney General Don Ferguson.

Chair Wickersham asked if it was permissible to provide an informational presentation without any solicitation for donations. Ms. Hezel recommended caution in this regard. She believes that this particular solicitation issue warrants careful review by the OAG. Ms. Hezel promised a detailed review and stated that the OAG would provide an advisory report prior to the next VSF meeting on August 6.

Mr. Hilgers noted that the General Assembly has enacted legislation which requires the Foundation to raise money, but that the legislation did not recognize the anomaly between the VDACA section of the Code of Virginia and the section dealing with the Foundation. He stated that this issue needs to be resolved. He pointed out another anomaly – between the Code, which prohibits state employees from soliciting contributions, and recent legislation, which directs the Commissioner of Veterans Services to solicit funds.

Mr. Wilder said that he believes that there is a perception that groups without 501(c)(3) status cannot be trusted. He suggested that such status might be appropriate for the Foundation. He also asked how the Foundation would prevent funds donated for the VWWP from being donated for other purposes. Mr. Hilgers replied that funds donated to support the VWWP were restricted and could not be diverted for other purposes.

Mr. Leigh stated that marketing materials are needed that spell out how a donor can restrict his/her donation for a specific purpose. He added that the 501(c)(3) approval process was very lengthy, and should be avoided by stressing that donations to the Foundation were already tax exempt.

Ms. Hezel added that donations to the Veterans Services Fund were tax deductible under Section 170 of the Internal Revenue Code. She offered to assist with the preparation of marketing materials.

Commissioner Burgess added that there recently have been some nasty situations involving 501(c)(3) organizations. He said he believes that it is important for the Foundation to be under state government, because being under state government means that every cent must be accounted for and spent on the purpose for which it was intended.

Chair Wickersham asked about the current state procedure for receiving donations – i.e. the exact procedures for receiving, acknowledging and providing tax-deductible certification to the donor.

Mr. Hilgers explained that there are procedures in place, that donors are given a receipt, and that a thank you letter is sent to the donor. He noted that the current receipt does not contain a statement that the donation is tax deductible, but that this will be corrected.

Mr. Hilgers summarized by saying that in his opinion, the problem the Foundation faces is not receiving unsolicited funds, but rather the active solicitation of funds. He said that clarification on this issue is needed.

Ms. Hezel added that another issue that needed to be addressed was how to give the donor a clear understanding of the process. Chair Wickersham said that the procedures that had been discussed at the meeting would enable the Foundation to put such procedures in place.

Other New Business

Mr. Hilgers brought the members' attention to the document labeled "VSF FY09 Fundraising Requirements," which is broken down into mandated fundraising requirements, DVS unmet/unfunded needs, and the Foundation endowment. He said that the DVS unmet/unfunded needs are those items not included in the FY09 budget, and in some cases are needs identified at the Board's 2006 retreat. Mr. Hilgers pointed out that strengthening the Foundation endowment will generate interest, which in turn will provide a source of unrestricted funds to support DVS programs, without the Foundation having to tap into the endowment itself. Mr. Hilgers stated that further discussion of fundraising requirements is needed.

Public Comment Period

There was no public present for comment.

Mr. Combs shared with the Board e-mails between Ms. Washburn and himself. In Ms. Washburn's e-mail she updated Mr. Combs, Mr. Galanti, and Mr. Wilder on the success of the Wounded Warrior Mental Health Care reception at the George C. Marshall Museum on the VMI campus on April 29, 2008. The event brought in over \$20,000, and other donations are still being received.

Mr. Wilder asked for clarification as to how Federal grant funds would be solicited to support VWWP. Commissioner Burgess responded that this was a role for DVS and not the Foundation.

Adjourn

Vice Chair Wilder made a **motion** to adjourn the meeting and it was seconded by the Board. There being no further business, a unanimous decision was made to adjourn. The meeting adjourned 1:11 p.m. The next meeting is scheduled for August 6, 2008.

Addendum to Veterans Services Foundation Board of Trustees Meeting Minutes for June 11, 2008, approved at August 6, 2008 meeting.

The minutes, at the bottom of page 7 and on page 8, reflect discussion of the use of restricted funds; that is, the disposition of unexpended amounts in a restricted fund after the purpose of donation had been realized, and the possible transfer of restricted funds between accounts.

The minutes erroneously indicate that it is possible to transfer funds (i.e., restricted funds) between accounts (“to another budget category”) with the approval of the Board.

Let the record reflect that it is not possible to transfer restricted funds between accounts, unless prior permission is received from the donor of the restricted funds for the transfer and the transfer is approved by the board.

Additionally, the unexpended amounts remaining in a restricted fund after the specific purpose of the donation has been realized shall be transferred to the unrestricted account of the Fund, in accordance with Administration-Operations Policy 23.